



# NEWS RELEASE

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### ***SBA SETS NEW RECORDS IN FY 1999 FOR SMALL BUSINESS LENDING; BOOSTS SMALL BUSINESS CAPITAL BY MORE THAN \$16 BILLION***

**WASHINGTON** – The U.S. Small Business Administration (SBA) set new records in its major small business financing programs in FY 1999. New records were set in total loan dollars, dollars loaned to minority and women borrowers and venture capital investments. SBA Administrator Aida Alvarez said today that the total for loans and venture capital financing exceeded \$16.35 billion.

“The SBA this past year helped tens of thousands of Americans start or expand their small businesses,” Administrator Alvarez said. “This record reflects the Clinton Administration’s strong commitment to a growing and vibrant small business sector, and to opening the doors of economic opportunity for all Americans.

“Since the end of fiscal year 1992, the SBA has backed more than \$71 billion in loans to small businesses, more than was accomplished in the previous 25 years combined,” Administrator Alvarez said.

For FY 1999 (ending Sept. 30, 1999), the SBA approved 43,639 loan guaranties amounting to \$10.15 billion in the 7(a) General Business Loan Guaranty program, a 12.5 percent increase in loan dollars from FY 1998. SBA also approved 5,280 loans worth almost \$2 billion under the Certified Development Company (CDC) loan program. The combined dollar amount of \$12.15 billion is a record, exceeding the previous mark of nearly \$10.9 billion set in FY 1997.

SBA’s Small Business Investment Company (SBIC) program, the agency’s premier vehicle for providing venture capital to small, growing companies, produced a record amount of equity and debt capital investments during the year. Based on preliminary year-end figures, the program’s licensed

SBICs made almost 3,100 investments worth more than \$4.2 billion, 30 percent greater than the record set in FY 1998, and more than double the average for the previous five years.

“This represents remarkable growth for this important program, especially when you consider that SBICs are responsible for nearly half of all venture capital deals done in the United States,” Administrator Alvarez said.

During the year, 53 new SBICs with a combined private capital of \$788.1 million were licensed. At the end of the year, the program had 354 licensees with combined private capital of \$8.33 billion, and total committed capital resources amounting to more than \$12 billion.

A record 28 percent of all SBA loan dollars in FY 1999 went to minority borrowers – almost \$3.36 billion to 12,127 minority-owned businesses. SBA also made more than \$1.9 billion in loans to small businesses owned by women, also a record.

Administrator Alvarez said the agency will continue to make strong efforts to boost loans to women and minorities over the coming year. “African-Americans are nearly 13 percent of the population, but own less than 4 percent of all businesses, and Hispanics make up more than 10 percent of the population, yet own less than 6 percent of all businesses.

“We have to work harder to help close this ‘opportunity gap.’ Our private sector partners and our partnership agreements with such organizations as the NAACP, the National Urban League and the U.S. Hispanic Chamber of Commerce should help SBA serve a broader cross-section of America’s small businesses. The best way to promote economic empowerment among minorities is to support the development of small businesses in their communities,” Administrator Alvarez said.

SBA’s Microloan program, which promotes economic empowerment at the smallest levels, provided \$15 million in loans to more than 1,300 borrowers. Under the program, SBA provides funding for loans and technical assistance to non-profit community-based lenders. Since 1992, more than \$90 million has been loaned under the program, with an average loan size of under \$12,000.

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*For more information on all of SBA’s programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA’s extensive website at [www.sba.gov](http://www.sba.gov).*

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